

SENATE FILE 2062
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 3002)

A BILL FOR

1 An Act providing for a retirement incentive program for state
2 employees and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. 2010 STATE EMPLOYEE RETIREMENT INCENTIVE
2 PROGRAM.

3 1. *Definitions.* As used in this section, unless the context
4 provides otherwise:

5 a. "*Eligible employee*" means an employee or qualified
6 employee who has filed a completed application for benefits
7 with the Iowa public employees' retirement system created in
8 chapter 97B in which the employee's or qualified employee's
9 intended first month of entitlement, as defined in section
10 97B.1A, is no later than July 2010.

11 b. "*Employee*" means an employee, as defined by section
12 97B.1A, who is employed within the executive branch of this
13 state. However, "*employee*" does not mean a qualified employee,
14 an elected official, or an employee eligible for the sick leave
15 conversion program as described in section 70A.23, subsection
16 4.

17 c. "*Employer*" means a department, agency, board, or
18 commission of the state that employs individuals.

19 d. "*Health insurance contribution benefit*" means the amount
20 representing the monthly contribution cost of an affordable
21 group health care plan offered by the state, as determined by
22 the department of administrative services, providing coverage
23 to the participant and, if applicable, the participant's spouse
24 for the applicable period of coverage.

25 e. "*Participant*" means a person who timely submits an
26 election to participate, is accepted to participate, and does
27 participate, in the state employee retirement incentive program
28 established under this section.

29 f. "*Program*" means the state employee retirement incentive
30 program established under this section.

31 ff. "*Qualified employee*" means an employee of a judicial
32 district department of correctional services, an employee in
33 the office of a statewide elected official, or an employee of
34 the state board of regents if the board elects to participate
35 in the program.

1 *g. "Years of service incentive benefit"* means an amount equal
2 to the entire value of an eligible employee's accumulated but
3 unused vacation plus, for eligible employees with at least
4 ten years of state employment service, one thousand dollars
5 for each year of state employment service up to a maximum of
6 twenty-five years of state employment service. For purposes
7 of this paragraph, *"state employment service"* means service, as
8 defined in section 97B.1A, for which the employer is the state.

9 2. *Program eligibility.* To become a participant in the
10 program, an eligible employee shall do all of the following:

11 *a.* Submit by April 15, 2010, a written application, on
12 forms prescribed by the department of administrative services,
13 seeking participation in the program.

14 *b.* Acknowledge in writing the eligible employee's agreement
15 to voluntarily terminate employment in exchange for the state
16 employee retirement incentive program as provided in this
17 section.

18 *c.* Agree to waive all rights to file suit against the state
19 of Iowa, including all of its departments, agencies, and other
20 subdivisions, based on state or federal claims arising out of
21 the employment relationship.

22 *d.* Acknowledge, in writing, that participation in the
23 program waives any right to accept any employment with the
24 state other than as an elected official on or after the date
25 the eligible employee separates from employment.

26 *e.* Agree to separate from employment with the state no later
27 than June 1, 2010.

28 3. *Participant acceptance.* An eligible employee shall be
29 accepted into the program if the department of administrative
30 services determines that the eligible employee meets the
31 requirements to be eligible to participate in the program.

32 4. *Program benefits.* Upon acceptance to participate in the
33 program and separation from employment with the state no later
34 than May 28, 2010, a participant shall receive the following
35 benefits:

1 *a.* During September 2010, and each September thereafter for
2 a total of five years, the state shall pay to the participant,
3 or the participant's beneficiary, an amount equal to twenty
4 percent of the years of service incentive benefit for that
5 participant. Receipt of a years of service incentive benefit
6 pursuant to this section by a participant shall be in lieu
7 of receiving a payment for the participant's accumulated but
8 unused vacation upon termination of employment.

9 *b.* For the period of time commencing with the first month
10 in which a participant is ineligible for or exhausts the
11 participant's available remaining value of sick leave used
12 to pay the state share for the participant's continuation of
13 state group health insurance coverage as provided in section
14 70A.23, subsection 3, and ending five years from the date
15 the participant separates from employment with the state as
16 provided in this section, the participant, or the participant's
17 surviving spouse, shall be entitled to receive a health
18 insurance contribution benefit to be used by the participant
19 or the participant's beneficiary to pay the cost for eligible
20 state group health insurance. The department of administrative
21 services shall determine what health insurance plans constitute
22 eligible state group health insurance for purposes of this
23 paragraph "b".

24 5. *Vacancies and reemployment.*

25 *a.* An employer shall not fill a position vacancy created as
26 a result of participation in the program by an employee without
27 approval from the department of management.

28 *b.* An employer shall not offer permanent part-time
29 employment, permanent full-time employment, temporary
30 employment, or retention as an independent contractor to a
31 participant.

32 *c.* This section shall not preclude a participant from
33 membership on a board or commission.

34 6. *Program administration and reporting.*

35 *a.* The department of administrative services shall

1 administer the program and shall adopt administrative rules
2 to administer the program. The department of administrative
3 services and the department of management may adopt rules on an
4 emergency basis under section 17A.4, subsection 3, and section
5 17A.5, subsection 2, paragraph "b", to implement this section
6 and the rules shall be effective immediately upon filing unless
7 a later date is specified in the rules.

8 *b.* Records of the Iowa public employees' retirement system
9 shall be released for the purposes of administering and
10 monitoring the program subject to the requirements of section
11 97B.17, subsection 5.

12 *c.* The department of administrative services, in
13 collaboration with the department of management, shall present
14 an interim report to the general assembly, including copies to
15 the legislative services agency and the fiscal committee of
16 the legislative council, by October 1, 2010, concerning the
17 operation of the program. The department shall also submit
18 an annual update concerning the program by October 1 of each
19 year for four years, commencing October 1, 2011. The reports
20 shall include information concerning the number of program
21 participants, the cost of the program including any payments
22 made to participants, the number of state employment positions
23 not filled pursuant to the program, and the number of positions
24 vacated by a program participant that have been refilled.

25 *7. Legislative and judicial branch employees.*

26 *a.* The legislative council may provide a retirement
27 incentive program for employees of the legislative branch
28 consistent with the program provided in this section for
29 executive branch employees. If the legislative council
30 provides an incentive program, the legislative council shall
31 collaborate with the department of administrative services to
32 establish the program as required under this section as nearly
33 as identical as possible to the program provided executive
34 branch employees under this section. The program provided
35 pursuant to this paragraph "a" shall establish the same time

1 guidelines and benefit calculations as provided under the
2 program for executive branch employees.

3 *b.* The supreme court may provide a retirement incentive
4 program for employees of the judicial branch consistent with
5 the program provided in this section for executive branch
6 employees. If the supreme court provides an incentive program,
7 the supreme court shall collaborate with the department of
8 administrative services to establish the program as required
9 under this section as nearly as identical as possible to the
10 program provided executive branch employees under this section.
11 The program provided pursuant to this paragraph "b" shall
12 establish the same time guidelines and benefit calculations as
13 provided under the program for executive branch employees.

14 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
15 immediate importance, takes effect upon enactment.

16 EXPLANATION

17 This bill establishes a state employee retirement incentive
18 program.

19 The bill establishes a state employee retirement incentive
20 program for eligible employees of the executive branch of the
21 state, including employees in the offices of statewide elective
22 officials, employees of a judicial district department of
23 correctional services of the department of justice, and if the
24 board of regents approves, employees of the state board of
25 regents and its institutions. The bill permits, but does not
26 require, either the legislative branch or the judicial branch
27 to establish an early retirement program consistent with the
28 program provided to executive branch employees in this bill.
29 An elected official, or an employee eligible for an enhanced
30 sick leave conversion program under Code section 70A.23(4)
31 are excluded from participating in the program. The program
32 shall be administered by the department of administrative
33 services. The bill permits eligible executive branch employees
34 who have completed an application for benefits under the Iowa
35 public employees' retirement system (IPERS) with an intended

1 first month of entitlement of no later than July 2010 to
2 separate from service with the state and receive a benefit
3 under the program. To receive the incentive benefit, an
4 eligible employee must submit an application to participate
5 in the program by April 15, 2010, be accepted to participate
6 in the program by the departments of administrative services
7 and management, separate from state employment by May 28,
8 2010, and acknowledge the employee's ineligibility to return
9 to employment with the state.

10 The bill provides that the benefit provided to an eligible
11 employee who participates in the program is an amount equal to
12 the entire value of the eligible employee's accumulated but
13 unused vacation plus, if the employee has at least 10 years
14 of state employment, \$1,000 for each year of state employment
15 up to 25 years. The bill provides that this amount shall be
16 payable in five equal installments each year during September
17 beginning in September 2010. In addition, the bill provides
18 that a participant in the program, or the participant's
19 surviving spouse, shall receive a health insurance premium
20 benefit to pay the premium cost for eligible state group
21 health insurance for five years following the participant's
22 termination from state employment. However, the bill provides
23 that a participant shall receive the health insurance premium
24 benefit only when the participant is no longer eligible for,
25 or exhausts, the participant's available remaining value of
26 sick leave used to pay the state share for the participant's
27 continuation of state group health insurance coverage as
28 provided in Code section 70A.23, subsection 3.

29 The bill further provides that an employer shall not fill
30 vacancies created by employees participating in the program
31 except upon approval of the department of management. The
32 requirement that the department of management approve filling
33 a vacancy does not apply to vacancies within the offices of
34 statewide elective officials, a judicial district department
35 of correctional services, the state board of regents and its

1 institutions, or the judicial or legislative branches. In
2 addition, the bill provides that an employer shall not hire a
3 participant in the program for any employment.
4 The bill takes effect upon enactment.